



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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MINERALS PROGRAM
FILE COPY

December 1, 1993

Robert E. Covington
Consultant
Ziegler Chemical & Mineral Corporation
P. O. Box 1845
Vernal, Utah 84078

Re: Submission of Mining Plan, Ziegler Chemical & Mineral Corporation (Ziegler),
Cowboy #1 Gilsonite Mine, Federal Lease U-0122693, [Division File M/047/013],
Uintah County, Utah

Dear Mr. Covington:

The Division received your initial submission on behalf of Ziegler on November 10, 1993. In our phone conversation of 11/16/93, you stated you would be re-submitting your proposal. For that reason, the first submission was not processed. The second submission was received by the Division on November 17, 1993. The second submission contained: a cover letter, a narrative description of the mine proposal, a Form MR-1 (May 1982 version), a MR Form 4 Declaration of Exemption (DOE), a site map, a surface facilities map, and an underground mine cross sectional drawing. The Form MR-1 has been revised since 1982 to match the 1988 version of the Minerals Rules. The 1988 rules eliminated the DOE entirely and created the categories of Large mining Operations, Small Mining Operations, and Exploration. The Small Mining Operations category replaced the DOE.

The Division has categorized this proposal as a revision/amendment to the existing large mining operation. We believe this is the most appropriate treatment of this proposal because (1) the proposed mine is identical to the other mines currently operated by Ziegler, and (2) the proposed mine will be providing gilsonite ore solely to the Ziegler processing facilities. In order to complete our review process, you will need to submit a completed Notice of Intention to Revise Mining Operations (Form MR-REV). In completing the MR-REV form you may refer to specific pages or paragraphs of the narrative already submitted; however, please provide as complete a response as possible for each section of the form. Our initial review of the information submitted indicates this proposal would be considered an "amendment" to the existing large mining



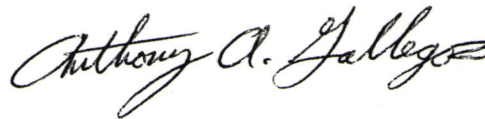
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plan. Copies of the Division's most recent MR-REV form and the current Minerals Rules are enclosed for your use.

In addition to completion of the MR-REV form, Ziegler will be required to post a reclamation surety for this site. We are aware that the BLM requires a surety amount for the gilsonite lease itself, as well as a surety amount for reclamation of the site. We will be contacting the BLM during our review process to investigate the possibility of a joint reclamation surety or some other means of eliminating any double-bonding. I have contacted Pete Sokolosky of the Vernal District BLM, and Alan Vance of the BLM State Office in an attempt to coordinate and streamline the review process.

The Division is aware of your need for an expeditious review of this proposal and we will attempt to complete our review process within two weeks from receipt of the completed MR-REV form. If you have any questions in this regard, please contact me.

Sincerely,



Anthony A. Gallegos
Reclamation Engineer

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Enclosures

cc: Dick Wilson, BLM, Book Cliffs RA
Alan Vance, BLM, State Office
Lowell Braxton, DOGM
Minerals Staff (route)

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